

# DEFENSE LOGISTICS AGENCY



QUALITY DAY MEETING  
OCTOBER 28, 1997

# **DLA QUALITY DAY CONFERENCE**

**OCTOBER 28,1997**

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**DLA Quality Day Conference**  
**Agenda Topics**  
**October 28,1997**

THEME: Controlling the Processes.

0800-08 10 Administrative Remarks \_\_\_\_\_Mr. Duane Rice, MMLEQ

08 1 0-0820 Welcoming \_\_\_\_\_RADM Keller, MML

0820-0830 Introduction/Opening \_\_\_\_\_Ms. Jill Pettibone, AQO  
Dr. Marshall Bailey, DFSC  
Ms. Carla von Bernewitz, MM1  
COL John Marx, MMLE

0830-0920 Status of Open Actions (22-23 APR 97) All

0920-0950 Materiel Returns \_\_\_\_\_Mr. Mike Shields, MMLEQ

0950-1 005 BREAK

1005-1 035 Product Verification Program (PVP) \_\_\_\_\_Mr. Mike Shields, MMLEQ

1035-1 100 PVP Activity Based Costing \_\_\_\_\_Maj. Alan Pegoraro, DORO

11 00- 1130 Return on Investment \_\_\_\_\_MAJ Paul Humphreys

1130-1230 LUNCH

1230- 13 30 Industry Prespective \_\_\_\_\_Mr. Richard Villeneuve,  
GenCorp Aerojet

Ms. Nancy Beckwith,  
Electric Boat Corp, General  
Dynamics

13 3 0- 1425 Customers Prespective \_\_\_\_\_Military Services, FAA

1425- 1445 Quality Stand-Down \_\_\_\_\_Glenn Rowiski, DFSC-BQ

1445-1500 BREAK

1500- 1530 PROCLTR ISO 9000 \_\_\_\_\_Ms. Diana Maykowskj, MMPPP

1530-1615 Source Inspection PAT \_\_\_\_\_ Ms. Ella Studer, AQOG

16 15- 1645 Closing Remarks \_\_\_\_\_ RADM Keller, SC, USN  
Dr. Marshall Bailey  
Ms. Jill Pettibone  
Ms. Carla von Bernewitz  
COL Marx, USA  
Mr. Duane Rice

**QUALITY DAY ATTENDEES**  
**OCTOBER 28,1997**

<u>NAME</u>	<u>ORG</u>	<u>m</u>	<u>FAX</u>
<b><u>MML</u></b>			
RADM Keller, SC, USN	MML	(703) 767 427-2600	427-2546
COL John A. Marx, USA	MMLE	427-2603	427-2602
Mr. Joe Hoenscheid	MMLEH	427-2643	427-2628
Mr. Ken Gibson	MMLEQ	427-263 1	427-2628
Mr. Larry Clark	MMLEQ	427-2626	427-2628
Mr. Mike Shields	MMLEQ	427-2629	427-2628
Mr. Duane Rice	MMLEQ	427-2634	427-2628
Ms. Arlene Garner	MMLEQ	427-263 8	427-2628
Ms. Lynn Harris	MMLEQ	427-263 5	427-2628
Mr. John Gilbert	MMLEQ	427-2733	427-2628
<b><u>MMI</u></b>			
Ms. Carla von Bernewitz	MMI	427-2668	427-1047
<b><u>MMP</u></b>			
Ms. Dianna Maykowskyj	MMPOA	427-1 364	427-1350
<b><u>DCMC</u></b>			
Ms. Jill Pettibone	AQO	427-2411	427-2409
Mr. Maurice Poulin	A Q C O G	427-2395	427-33 77
Ms. Ella Studer	A Q C O G	427-3398	427-
<b><u>INDUSTRY</u></b>			
Mr. Richard Villeneuve	GenCorp Aerojet	916 355-3072	355-2652
Ms. Nancy Beckwith	General Dynamics	860433-3790	433-5378
<b><u>DCMDW</u></b>			
Mr. Larry D. Shields	DCMDW	927-42 15	310 335-4267
Mr. Steve Krivokopich	DCMDW	927-4213	3 10 335-4267
<b><u>DCMDN</u></b>			
Ms. Deborah DeCoste	DDRE-OTD	955-4493	617 753-4250
<b><u>DCMDI</u></b>			
CAPT Dennis Wright, SC, USN Commander	DCMDI-D	427-2487	427-2489
Mr. John Rayford	DCMDI-D	427-2488	427-2489
<b><u>DDC</u></b>			
Mr. Paul Bricker	DDC-T0	977-8749	977-7143
<b><u>DPSC</u></b>			

Mr. Craig Gsell	DPSC-OMPT	444-5795	444-907 5
Mr. Stephen Di Lizio	DPSC-OMPT	444-73 66	444-7463

**DCPSO**

Mr. Dennis Taboada	DCPSO-P	697-2002	697-6449
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**DSCC**

COL James McClaugherty, USAF	DSCC-0	850-473 1	850-3703
Mr. Michael W. O'Mara	DSCC-T	850-6287	850-4009
Mr. Brian McNicholl	DSCC-T	850-6287	850-4009
Mr. Dave Sczublewski	DSCC-VP	850-8854	850-1901
Mr. Dennis Lieb	DCSC-BDL	850-1692	850-453 1
Mr. Mike Yaubick	DSCC-TN	977-4098	977-5040
Mr. Joseph Rosi	DSCC-BPP	850-7263	850-6904
Mr. Ron Bayless	DSCC-V	805-325 1	805-1901

**DSCR**

CAPT Daniel H. Stone, USN, SC	DSCR-D	695-3801	695-4099
Mr. Charles Carrell	DSCR-V	695-3841	695-5991
Mr. Charles Bates	DSCR-VC	695-3598	695-6608
Mr. Glenn Paxton	DSCR -RZS	695-4399	695-4392
Mr. Ralph Riddle	DSCR-RZS	695-3237	695-4392
Ms. Lisa Prows	DSCR-RZS	695-4140	695-4392
Ms. Karron Small	DSCR-JDT	695-6740	695-6015
Mr. Gary Wegrznowicz	DSCR-JE	695-3642	695-5587
Mr. Allan Shaw	DSCR-JET	695-4133	695-4133
Mr. Rowland Herpel	DSCR-VC	695-6816	695-6 142

**DISC**

Mr. Jim Nicolo	DISC	442-2387	442-4534
Ms. Diane Dunn	DISC	442-2387	442-6556
Mr. Carmen Scandone	DISC	442-68 19	442-6556

**DFSC**

Dr. Marshall Bailey, Deputy Cmdr.	DFSC	427-9700	427-9672
Mr. Glenn Rowiski	DFSC-BQ	427-8740	427-8728

**FAA**

Mr. Darryl Thompson	ALM-600	405 954-443 1	954-4840
Mr. Don Claypodl	ALM-600	405 954-4653	954-9253
Ms. Cathy Pastore	ALM-600	202 267-9932	267-5753
Ms. Fran Cook	ALM-600	405 954-7397	954-4136

**ARMY**

Mr. Steve Goldstein	AMCRD-RDA-AI	767-9623	767-3530
Mr. Bob Sanford	AMSAM-RD-QA	746-4914	746-2955

**NAVY**

Mr. Don Woytowitz	NAVSEA	327-2455	327-2453
Mr. Stanley Dewitt	NAVSEA	684- 1690X470	603 43 1-9464
Mr. George Bednar	NAVSEA	327-2456	327-2453
Mr. Dan Cross-Cole	NAVSEA	327-2466	327-2453
Mr. Tom Wekluk	NAVSUP	430-6608	430-8088
Mr. Bob Gaydosh	NAVSUP	430-1431	430-8088
Lt. Tim Benesh, SC, USN	NAVSEA	703602-1144x259	703 602-5341

**AIR FORCE**

Mr. John Calhoun	HQUSAF/LGSP	225-4895	224-7570
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**USMC**

Ms. Elise H. Gabbard	USMC, LPP-2	426-1052	703 696- 1079
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**GSA**

Mr. Kim Bennett	FOA	703 305-7998	305-6718
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**DRMS**

Mr. Wayne Long	DRMS-QC	932-7 134	932-5098
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**DORRA**

Maj. Paul Humphrey	DORRA	695-5472	695-5319
Maj. Alan Pegoraro	DORRA	695-5472	695-5319

# **DLA Quality Day Conference 1997**

## **a. Smaller Dollar Contracts**

### **1. Action Item:**

(a) Completed

(b) Completed

(c) Using the ACCESS database, review reasons for establishing source inspection (DSCs).

(d) Consider providing individuals for participation on DOD Process Action Teams for source inspection (DSCs).



# **CONTINUATION OF OPEN ACTIONS**

## **b. Consolidating Discrepancy Reporting Forms.**

## **c. Deficiency Reporting Systems (DRS)**

### **1. Action Items:**

(a) Completed

(b) Check cost and feasibility of putting DRS on Internet (DT .A-MMLS).

(c) Hold meeting to determine DLA future actions with DRS (DLA-MMLS).

(d) Check the functionality of DRS for DCMC and for DLA DSCs (DLA-DLA-MMLS).

**d. Completed**

**e. DLA Action Plan.**

1. Action Item: Close out the DLA Action Plan and incorporate quality goals into the DLA Strategic Plan (DLA-MMLXQ)

**f. Customer Expectation Status/Update-DSCs**

**g. Customer Expectation Status/Update-FAA.**

## Action Items:

(a) Completed

(b) Completed

(c) Completed

## **h. Customer Expectation Status/Update-Navy.**

### 1. Action Item:

(a) Completed

(b) Acquire instructions for establishing access to PDREP  
(DSCs/NAVSEA-NMQAO)

# **1. Material Management (D IB4-MM) Quality Issues.**

1. Action Item: Completed

## **2. Customer Returns Business Analysis.**

1. Action Items: ESG Briefing completed, implementation approved,  
other action items cancelled.

**o. Product Verification Program Status/Upgrade.**

**p. Quality Cost-Return on Investment (ROI).**

**1. Action Items:**

(a) Determine what commercial activities; e.g., Boeing, have for cost determinations (DORO). Case studies provided to DORRA

(b) Develop a business case to make the ROI program a permanent process instead of just a study (DORO). BCA will be developed based on completion of study.

*CUSTOMER RETURNS  
IMPROVEMENT INITIATIVE*

*QUALITY DAY STATUS REPORT*

*Mike Shields*

*October 28, 1997*

*BUSINESS CASE ANALYSIS APPROVED BY MMB*

*MM ESG APPROVED IMPLEMENTATION*

*IMPLEMENTATION PLANNING MEETING & SITE  
VISITS CONDUCTED*

*IMPLEMENTATION PROCEDURES DEVELOPED  
BY DDRs & ICPs*

*DDRs LOADING TARGETED NSNs IN DDS  
EXCLUSIONARY SCREEN.*

*RECEIPTS SUSPENDED IN C/C K.*

*RETURN TRANSACTION SUSPENDED UNTIL  
FINAL CONDITION OF MAT'L IS DETERMINED.*

*a TYPE DOC 8 ROD ISSUED TO ICP*



# *PROCESS AT ICPs*

*PVP MAINTAINS NSN LIST,, COORDINATES  
TEST/INSPECTION REQUESTS & RESULTS.*

*IPT /MS & QASs PROCESS RODS*

- DETERMINE NEED FOR MATERIEL*
- REVIEW PQDRs, CONTRACT IDENTIFICATION,  
FAILED CHARACTERISTICS*

*IMPLEMENTATION STARTED AUG 97*

*DDRE:*

- 108 LINES PROCESSED TO C/C K*

*DDRW:*

- 130 LINES PROCESSED TO C/C K*

■ *DSCC:*

- 91 CLOSED LINES*

*- 61 DISPOSAL, 9 APPRAISED, 5 FAILED*

*-2 CM/UPS, 1 RETURNED TO CONTRACTOR*

*-27 RETURNED TO C/CA*

- *22 LINES CLOSED*
- *5 FAILURES*

*DEVELOPING AUTOMATED ROD  
PROCESSING CAPABILITY.*

*IMPLEMENTATION PENDING COMPLETION OF  
DECISION MODEL.*

*EACH /PC TOOK A DIFFERENT  
IMPLEMENTATION APPROACH.*

*IMPLEMENTATION EVALUATION REQUIRED TO  
SHARE LESSONS LEARNED & IMPROVE  
PROCESSES.*

- *METRICS NEED IMPROVEMENT BEFORE  
EXPANDING SCOPE.*
- *SCREENING PROCESS HAS REDUCED  
FORECASTED APPRAISAL COSTS.*

*DISC IMPLEMENT SCREENING PROCESS USING  
NORMAL ROD PROCESS, UNTIL PROGRAMMING  
IS COMPLETED ON AUTOMATED MODEL.*

*PROCESS EVALUATION BE CONDUCTED BASED  
ON 1ST QTR. OF IMPLEMENTATION DATA.*



*TURN TESTING DATA INTO USEFUL  
INFORMATION WHICH SUPPORTS THE IPTs.*

*ESTABLISH AN EFFECTIVE PROGRAM  
MANAGEMENT SYSTEM.*

*IMPLEMENTA RETURN ON INVESTMENT*

*SAM REPROGRAMMING COMPLETE*

- . NEW RECEIPTS & WEAPON SYSTEM*
- . FLEXIBILITY TO TARGET ADDITIONAL SUBPOPULATIONS.*

*REVISING DCMC METRIC.*

*CUSTOM TEST PROJECTS & ANALYSIS BEING PERFORMED FOR IPTs.*



*ACTIVITY BASED COSTING PROJECT WITH DORRA.*

- . DRAFT MODEL DEVELOPED*

*TEST PLAN DEVELOPMENT COURSE COMPLETED.*

*MANDATORY FOR PVP*

- . QAS CERTIFICATION NOT FINALIZED*

□ *QUALITY COST METHODOLOGY*

*VISITING CUSTOMERS FOR EXTERNAL COSTS*

*DEVELOPING NEW PERFORMANCE METRIC FOR  
DCMC.*

*SUPPORTING MMB CLASS “A” WEAPON SYSTEM  
PERFORMANCE METRICS.*

*BCA/MOA UNDER DEVELOPMENT WITH NAVSUP  
TO PROVIDE QUALITY METRIC/EXPAND  
CONTRACTOR PERFORMANCE BASE.*

*SAM UPGRADES COMPLETE.*

*DORRA FUNDED & WORKING ABCAND ROI.*

*TEST PLAN COURSE DEVELOPED.*

*1998 PVP MANAGERS PLANNING MEETING WILL  
BE CONDUCTED IN NOVEMBER.*

*1998 OBJECTIVES WILL BE BRIEFED AT NEXT  
QUALITY DAY MEETING.*

# DLA Office of Operations Research and Resource Analysis (DORRA)

## Product Verification Program Activity Based Costing

Presented at DLA Quality Day  
October 28, 1997

# Overview

- Study Description
- Study Approach
- Project Status

# Study Description

- **Purpose:** Provide PVP managers with a tool to capture how resources are applied to produce outputs
- **Expected Results:** A spreadsheet ABC model allowing PVP managers to track resources against program activities on a monthly basis
  - **DORRA Lead Analyst:** Mrs. Mary Taylor
  - **MML Sponsor:** Mr. Mike Shields

# Study Approach

- Build FY97 ABC Model for each ICP PVP Office
  - Identify PVP Resources (labor, non-labor)
  - Identify PVP Activities
  - survey employees to map labor costs to activities
  - Spread non-labor/overhead costs to activities
  - Collect work counts of PVP outputs for unit cost
- Implement FY98 ABC System
  - Deploy Spreadsheet Model to each PVP Office
    - Input monthly via employee survey
  - Roll information up to PVP Program Level



# Project Status

- DSCC
  - Obtaining work count information for unit cost computations to complete model
  - Next step is delivery of FY98 ABC spreadsheet
- DSCR'
  - Program Manager is reviewing DSCC activities
  - Next step is to survey employees, collect resource costs and work counts for outputs.
- DSCP
  - Will follow DSCR

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# **Quality Program's Return On Investment (ROI) Model**

**Quality Day  
October 28,1997**

DEFENSE LOGISTICS AGENCY

OFFICE OF OPERATIONS RESEARCH AND RESOURCE ANALYSIS

# Overview

- **Highlights from April Quality Day**
- **Process Flowchart**
- **Current Focus**
- **Methodology**
- **Results from Customer Visits**
- **Future Efforts**
- **Summary**

# MODEL GOALS

- **Provide managers with “insight” needed to reduce overall costs of quality (total quality costs)**
  - **Baseline total quality costs**
  - **Implement quality program changes**
  - **Track total quality cost trends**
  - **Determine impacts of quality program changes**
- **Provide ICP comptrollers with easily implemented tool**

# TOTAL QUALITY COST MODEL

Total Quality Costs

Quality Program Costs + Costs of Poor Quality

Prevention Costs + Appraisal Costs

Internal Failure Costs + External Failure Costs



# Current Focus

- **3 Weapon Systems**

- F404 Engine (F18)
- TF39 Engine (C5)
- HMMWV

- **Customers For Each System**

- Field Support Team (Naval Aviation Depot, JAX, FL)
- C Flight Maintenance (Dover AFB, DE)
- HMMWV Team (TACOM, Warren, MI)

- **DLA NSNs for each System (C,E,G,I)**

- 5,669 for the F404
- 5,479 for the TF39
- 6,874 for the HMMWV

# **Methodology**

(Slide 1 of 2)

- **Cross reference NSN lists with CDCS Data**
- **Identify parts with poor quality history**
- **Forward list to the customers prior to visit**
- **Request assistance to determine cost measures for quality problems associated with those parts (MICAP, CASREP, NMC)**
- **Visit with the customers**
  - **track their processes dealing with PQDRs and RODS**
  - **determine how poor quality parts affect mission readiness**
  - **determine how often customers just throw out bad parts**



# Methodology

(Slide 2 of 2)

- **Customer Input to Determine External Failure**
  - labor costs
  - administrative costs
  - readiness/mission costs
  - other costs
- **Reconcile CDCS Data with Customer Data**
  - how do the data sets compare
  - can we rely on the CDCS Data to model most poor quality occurrences
- **Examine failure causes for these parts**
- **Determine how the failures could have been prevented & the associated cost**

# **Customer Data Complaint System**

- For commodities C,E,G,I**
- Original Data Set - 664625 observations**
- Refined Data Set - 664069 observations**
  - deleted complaints prior to 1 Oct 1987**
  - deleted complaints without NSN information**
- Complaint Breakdown**
  - PQDRs 8% (53,202)**
  - RODS 92% (609,577)**

## **CDCS (F404)**

- . DLA supplied NSNs = 5669 for the F404 Engine**
- . Customer recorded complaints on 1340 NSNs**
  - 560 PQDRs**
  - 6698 RODS**
- . Causes**

<b>- Other</b>	<b>43%</b>
<b>- Storage Site Error</b>	<b>28%</b>
<b>- Contractor Noncompliance</b>	<b>10%</b>

**F404 Field Support Team, NAS JAX, FL**  
**Navy AIMD, NAS Cecil Field, FL**  
**(154 6 Ott)**

- **Navy is not tracking quality costs at depot, intermediate or organizational maintenance levels**
- **Money for quality repairs/replacements comes from:**
  - Navy maintenance funds (Aviation Depot Level Reparable)
  - NAVICP Philadelphia
  - Manufacturer (GE)
- **NAS JAX & NAS Cecil Field process 1100 PQDRs/yr**
  - approx. 10% are for DLA-supplied parts
  - internal cost to process a PQDR is (\$75\$80)
- **Current quality problems with fan blades & shrouds**
- **JAX recommends early vendor quality inspections**

## **CDCS (TF39)**

- . DLA supplied NSNs = 5481 for the TF39 Engine**
- . Customer recorded complaints on 1336 NSNs**
  - 78 PQDRs**
  - 1244 RODS**
- . Causes**

<b>- Other</b>	<b>40%</b>
<b>- Storage Site Error</b>	<b>32%</b>
<b>- Contractor Noncompliance</b>	<b>11%</b>

# **C Flight Maintenance Facility**

## **Dover AFB, DE**

(20-21 Oct)

- **Air Force is not monitoring quality costs**
  - Cost for down-time due to supply problems is tracked
  - Checking details of the supply problems (i.e. quality issues)
- **Quality Office processes on average 240 PQDRs/yr**
  - approximately 10% are for DLA-supplied parts
- **Current quality problems with tubing, low pressure check valves, fuel nozzles**
- **Frustrated with DLA PQDR & ROD investigations**
  - Close Out report indicates invalid complaint, problem remains
  - 13 PQDRs/RODs over last two years on low pressure check valves and the valve still fails on the aircraft

# **Future Efforts**

- **Coordinate with Comptroller, DSCC**
  - methods to capture quality costs for first 3 weapon systems
  - system to track number of failures and cost per failure
- **Visit Boeing - see how they investigate quality issues**
- **For Quality issues associated with RODS**
  - work with the depots to see where investment needs to be made
- **For Quality issues associated with PQDRs**
  - work with ICP Quality Offices to see where investment needs to be made
- **Extend the model to other critical weapon systems**

# Summary

- **Data on quality costs varies with each service**
- **More customer interest in the cost of quality due to decrease budgets for maintenance**
- **PQDR 8t ROD process frustrates the customers -- they have avoided it in the past**
- **Customer input and satisfaction is crucial to establish the Quality Return on Investment Model**



# C.A.S.E., Inc.

## Overview:

History, Organization, Process & Operation

<http://www.caseinc.org>

# C.A.S.E., Inc.

An Industry Managed SECOND PARTY Organization of  
Companies Operating as a Nonprofit, Mutual Benefit  
Corporation

Dedicated to:

- REDUCING REDUNDANT SUPPLIER AUDITS OR ASSESSMENTS
- SHARING NON-PREJUDICIAL SUPPLIER DATA
- STANDARDIZING SUPPLIER/PROCUREMENT QUALITY PROCESS
- COST SAVING THROUGH EXPENSE AVOIDANCE

# HISTORY

- 1964 – Six Aerospace companies agree to exchange information, increased to 12 companies
- 1967 – Principles and bylaws developed and approved establishing the coordinated aerospace supplier evaluation, CASE Association
- 1973 – Nuclear Power Generation Section at large formed (name revised to: Coordinating Agency for supplier evaluation, CASE Association)
- 1983 – Air Carriers and shipments sections at large established FAA approves the air carrier's audit sharing program in 1984
- 1989 – Marine section combined with aerospace section as aerospace/marine systems section
- 1990 – New online computer system authorized – implemented august 1992

# HISTORY

- 1991 – C.A.S.E. Incorporated with new bylaws
- 1994 – aeronautical repair station section formally required
- 1995 – CASE register reproduced and distributed in electronic format production of the register in book form suspended
- 1996 – Electronics and computer manufacture section at large established – full section status in 1997
- 1996 – CASE board approves initiative to move the online system to the internet (GOAL to have WWW site available late 1996 and the database application operational 1997)
- 1997 – CASE website activated <http://www.caseinc.org>
- 1997 – Aviation suppliers & distribution section at large formed
- 1997 – Automobile and heavy truck first tier suppliers are granted section status

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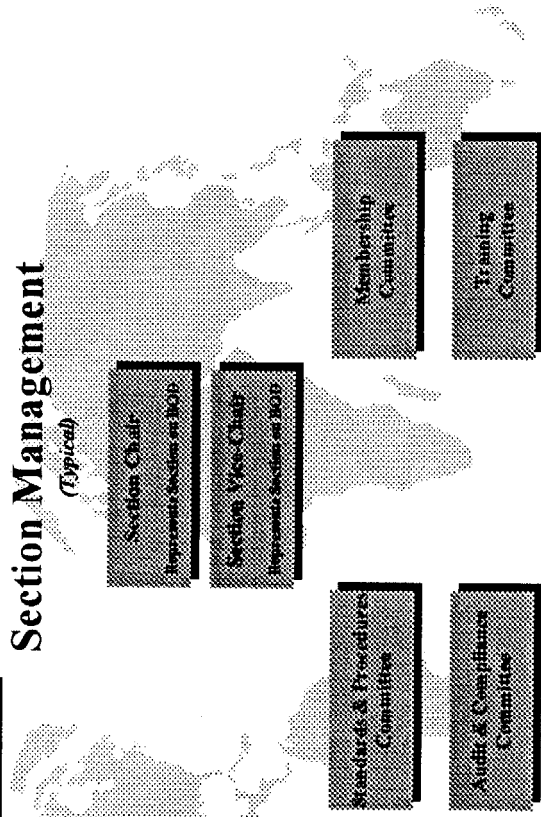
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# Section Control

Section activities are regulated and managed by:

- Case bylaws
- Section policies and procedures
- Section leadership – operations committee
  - Chair, vice-chair, secretary, committee chairs
- Standing committees
  - Standards & procedures, membership, training, etc.



C.A.S.E. Overview & Orientation - October 1997



## C.A.S.E.'s Mission

### Promote the Use of Standardized:

- Evaluation Criteria
- Checklists
- Evaluation Methods Practices
- Auditor Qualification/Certification

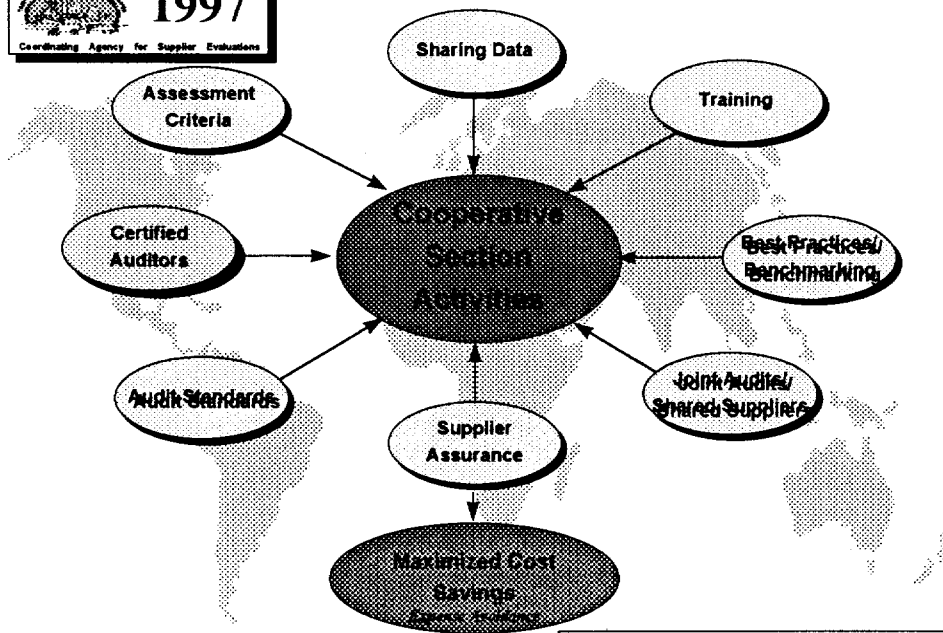
### For

- Quality Programs/Systems
- Special Processes
- Distributor Evaluation

### To Support

- Second Party Assessment Sharing
- Mutual Recognition of Assessments

C.A.S.E. Overview & Orientation - October 1997



# The CASE Data Center

- Located and Managed by GenCorp Aerojet – Sacramento CA
- Operates and maintains the Online computer system
  - Database administration
  - Network administration
  - Provides “customer support” to user
- Provides membership services across sections

## Current System/Network Configuration

- local area network –
  - novell network software, ten user license
  - e-mail
  - five work stations accessed by remedy
- Equipment –
  - Ibm 486/50 MHz file server
  - Four 386/25 MHz. One 486/33 workstations
  - 9600 – 28880 baud modems
- Network Access –
  - Accessed remotely using norton lambert’s “Close Up” remote communications software
  - Direct access network (DA Net) Server Security Software
- Application –
  - Relational Database Application written in Borland’s “Paradox” database management systems software (currently DOS)

# Membership Rights & Responsibilities

- Have voting rights
- Contribute vendor data
- Serve as officers of association
- Access to second party assessments performed by other sustaining members
- Comply with operating plan

## Finance

- Incoming funds
  - Membership collection fees
    - Collected annually
  - Computer system access fee
    - One time to board of directors
- Outgoing funds
  - CASE Data center and online system operations
  - Computer system maintenance and improvement



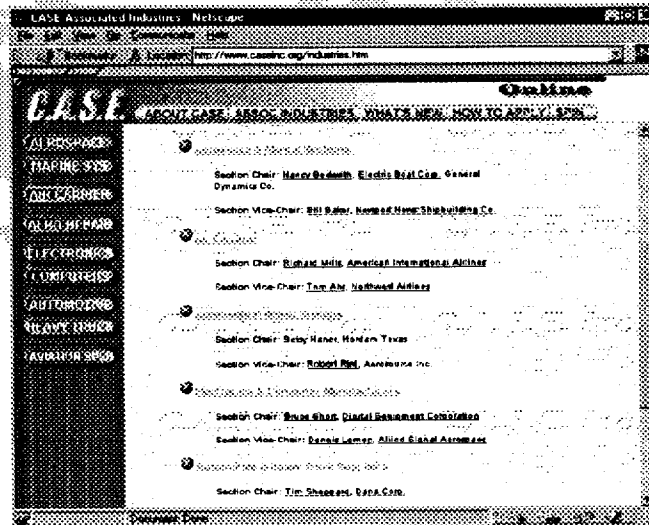
## Legal Aspects

- Multiple Corporate Legal Opinions Agree C.A.S.E. presents No Legal Liability
- C.A.S.E. has operated for over 30 years without legal problems

## Access to Industry Specific Information

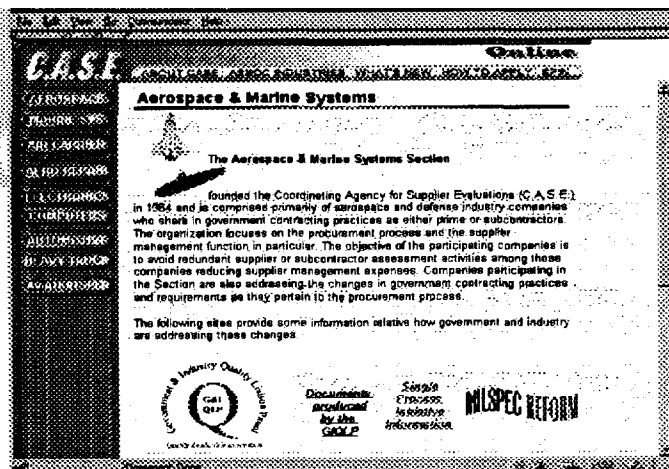


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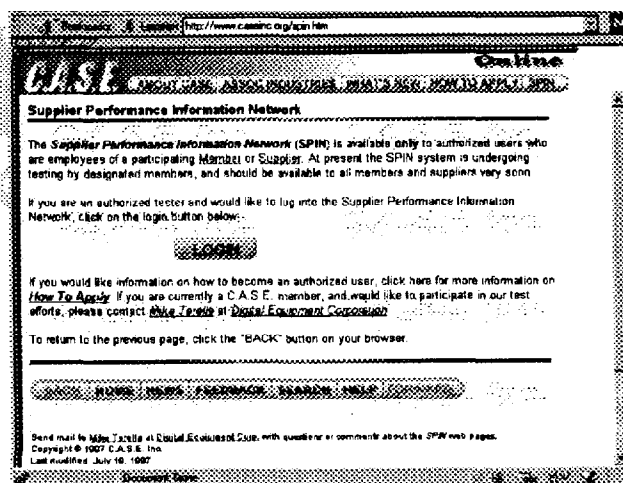


C.A.S.E. Overview & Orientation - October 1997

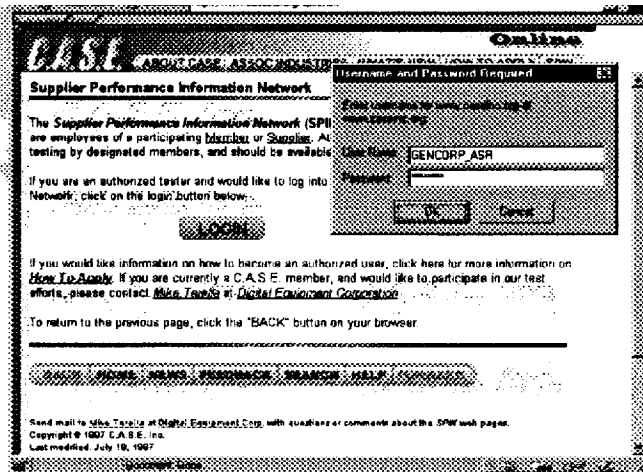
## Section History, Mission and Links to Other WebSites



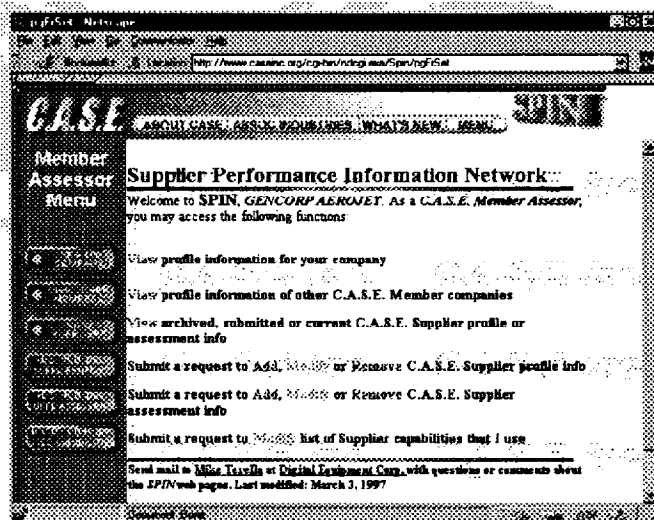
C.A.S.E. Overview & Orientation - October 1997



C.A.S.E. Overview & Orientation - October 1997



C.A.S.E. Overview & Orientation - October 1997



C.A.S.E. Overview & Orientation - October 1997

Internet Explorer

File Edit View Go Favorites Help

Address: http://www.casinc.org/cgibin/ndcg.exe?dev/pdf/5d

**CASE** ABOUT CASE / ASSOC INDUSTRIES / WHAT'S NEW / NEWS

### View Supplier Information - Select Search Criteria

Please select criteria categories that you wish to use to search for a supplier then press the Select button below.

☐ Name    ☐ City    ☐ State    ☐ Geographic Zone  
☐ Industries Supported  
☐ Profile Entry/Change Date  
☐ Process Specification    ☐ Commodity Code    ☒ Commodity Name    ☐ Quality Specification  
☐ Assessment Submit Date    ☐ Assessor Company    ☐ Assessor Industries  
☐ Suppliers I use

Select Clear All Print Menu

Download Page

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1997

Coordinating Agency for Supplier Evaluations

## Specific Commodities

Internet Explorer

File Edit View Go Favorites Help

Address: http://www.casinc.org/cgibin/ndcg.exe?dev/pdf/5d

**CASE** ABOUT CASE / ASSOC INDUSTRIES / WHAT'S NEW / NEWS

### View Supplier Information - Enter Search Values

Please use any combination of the following to identify the company you wish to view then press the Search button below.

Enter commodity name

Contains

or select a commodity name

Search Clear Form Reset Criteria List View Menu

Download Page

## Listing of Companies Matching the Search Criteria

Supplier: Alliance

View Supplier Information - Supplier Search Result

Search Criteria Entered:  
Commodity name: contains valves

Supplier Search Results:

Click on a Supplier Name to view or press a button below to view more supplier names

Records 1-10 of 27 selected

Supplier Name	City	State/Province
ALLIED SIGNAL AEROSPACE COMPANY	CLIFTON	NJ
ALLIED SIGNAL AEROSPACE COMPANY	TEMPE	AZ
ALLIED SIGNAL AEROSPACE COMPANY	STAFFORD	TX
ALLIED SIGNAL AEROSPACE COMPANY	PORT WASHINGTON	NY
ALLIED SIGNAL AEROSPACE COMPANY	VAN NUYS	CA

## List the Commodities and Assessment Information

Supplier: ALLIED SIGNAL AEROSPACE COMPANY

ASSESSMENTS:

Date Assessed	Commodity Code	System/Quality Code	Assessment Method	Member Name	Performed By
18-Mar-93	ASAE	IM		DOING DEFENSE & SPACE GROUP	WILLIAM H. ANDERSON
18-Mar-93	ASAE	IM		DOING DEFENSE & SPACE GROUP	WILLIAM H. ANDERSON
18-Mar-93	ASAE	IM		DOING DEFENSE & SPACE GROUP	WILLIAM H. ANDERSON

# Our Challenge...

With increasing emphasis on and changing requirements relative to supplier

Controls... Iso9000 ... QS9000 ... Baldrige Criteria...

And Shrinking or no additional budgets or funding ... tightened purse  
strings ... downsizing ... rightsizing ...

As an industry

We all have to increase management activities with the same

Suppliers

CASE makes even more sense NOW than ever

THE CASE FORMULA FOR SUCCESS:

COMMITMENT + PARTICIPATION = RESULTS

# **Controlling the Processes: Navy Perspective**

**Presented by:**

**Stanley Dewitt, ND72**

**Head, Technical Data Analysis Division**

**Naval Sea Logistics Center Detachment, Portsmouth, NH**

**28 October 1997**

**Tel: DSN 684-1690 x470**

**(603) 431-9460 x470**



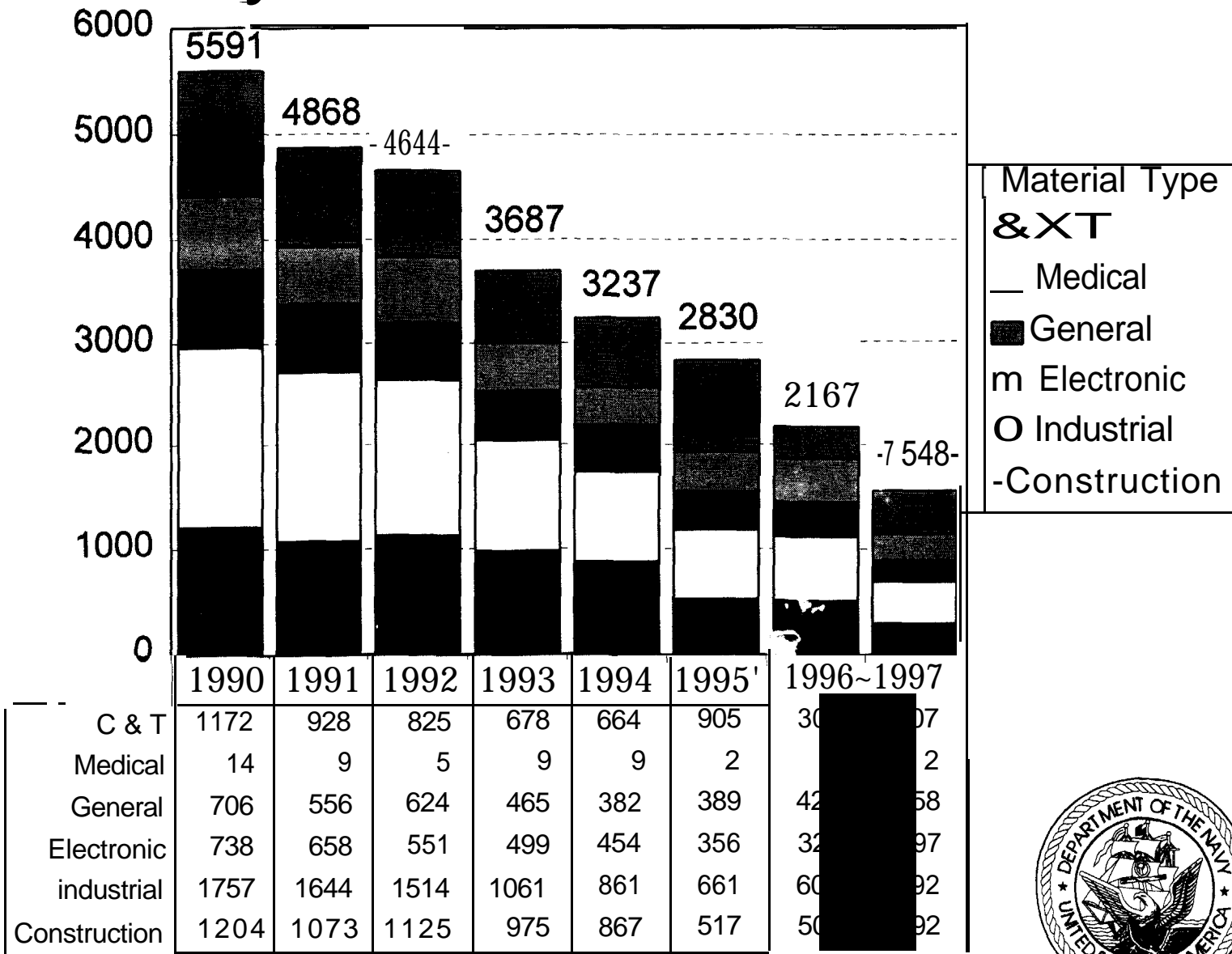


# Overview

- **Product Quality Deficiency Reports**
- **Receipt Inspection Defect Rates**
- **Defect rates by Contract year**
- **Defect Rates by DLA Center**
- **Controlling the Process of GIDEP Alerts**
- **Recommendations/Customer Feedback**
- **Conclusions**



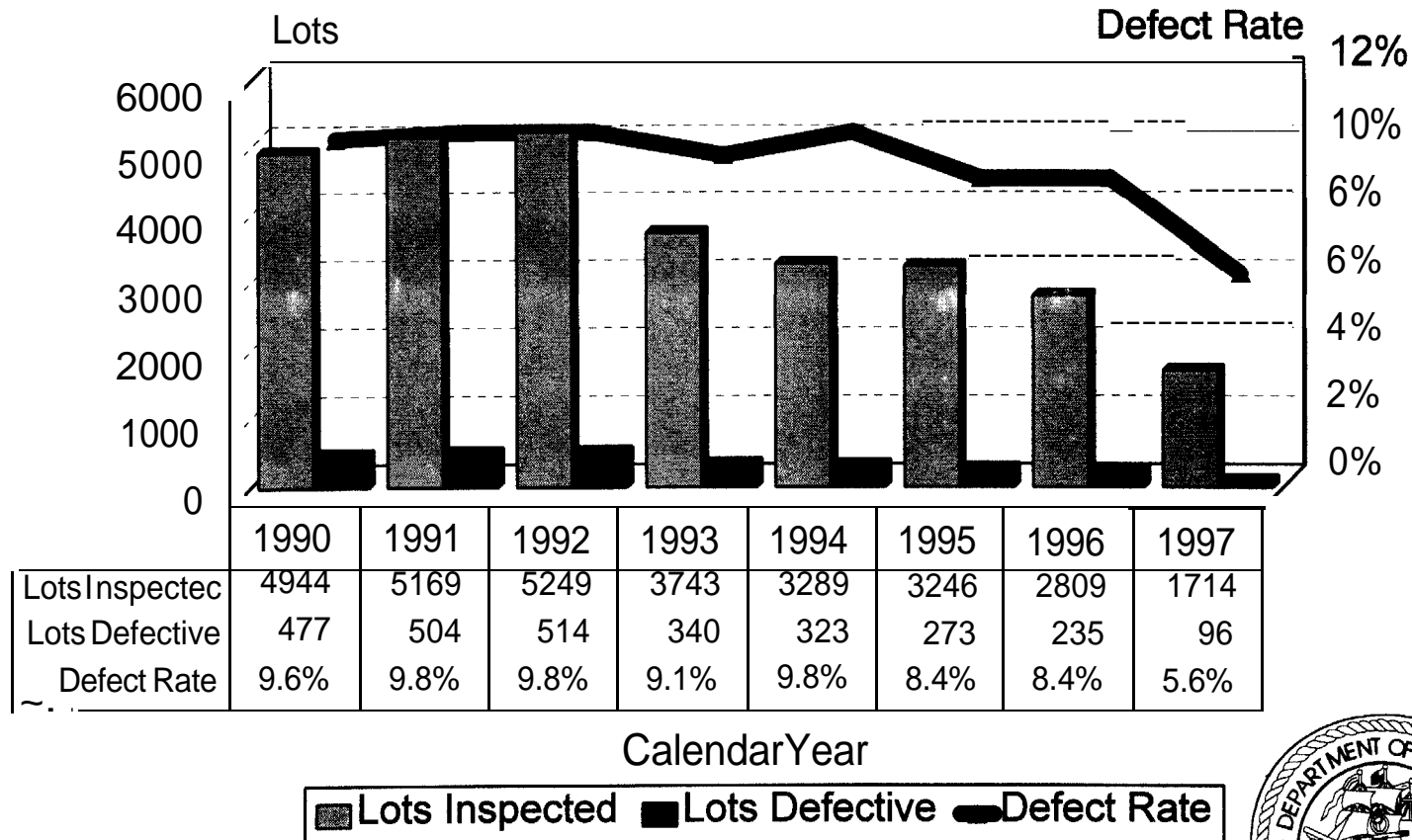
# Navy PQDRs on DLA material



Based on Date Deficiency Discovered - Data Date 6 October 1997



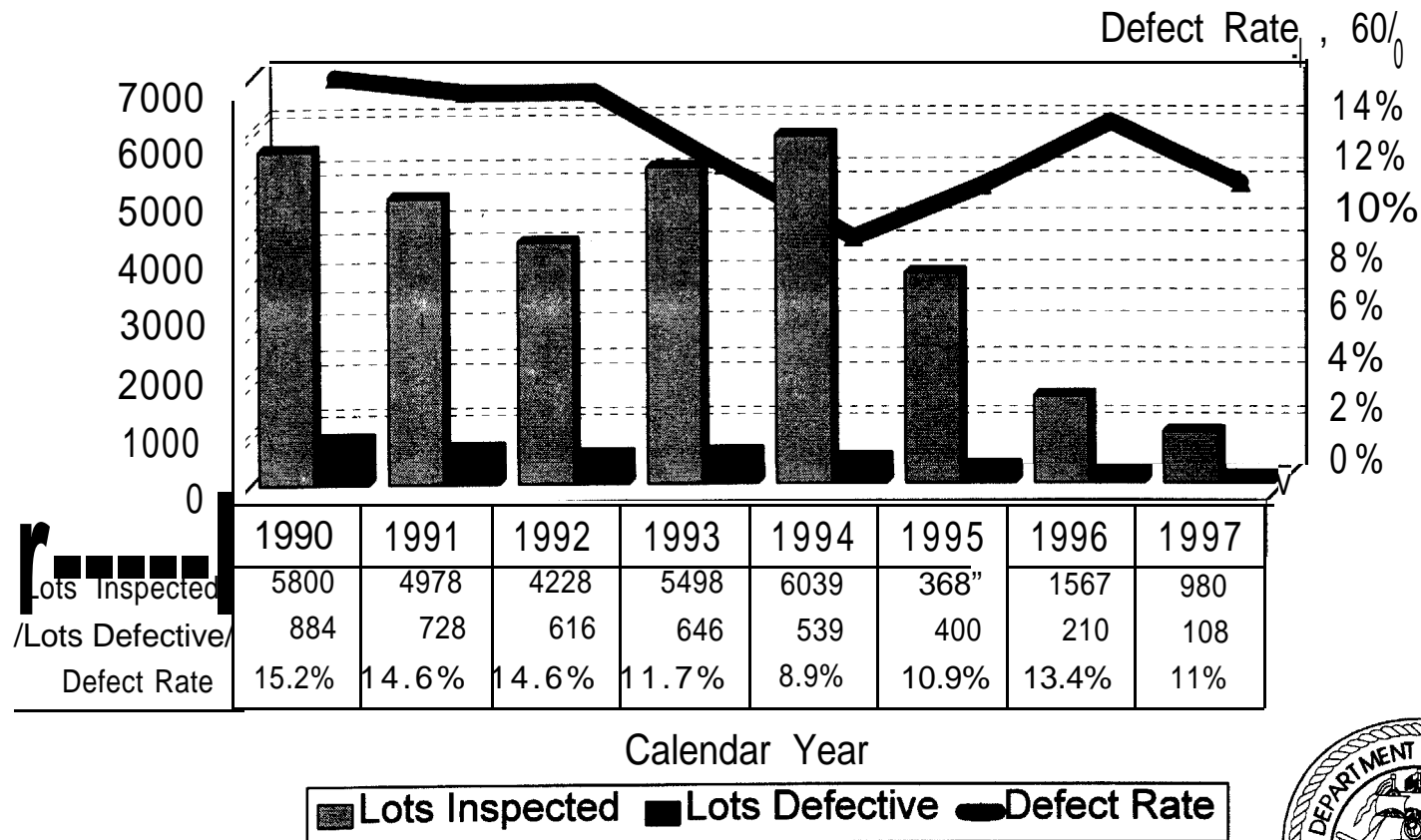
# Receipt Inspection Defect Rates Items Identified to DLA Contracts



Based on NAVSEA receipt inspection data  
[ inspection date through g/22/97]



# Receipt Inspection Defect Rates DLA-managed items received without Contract Identification



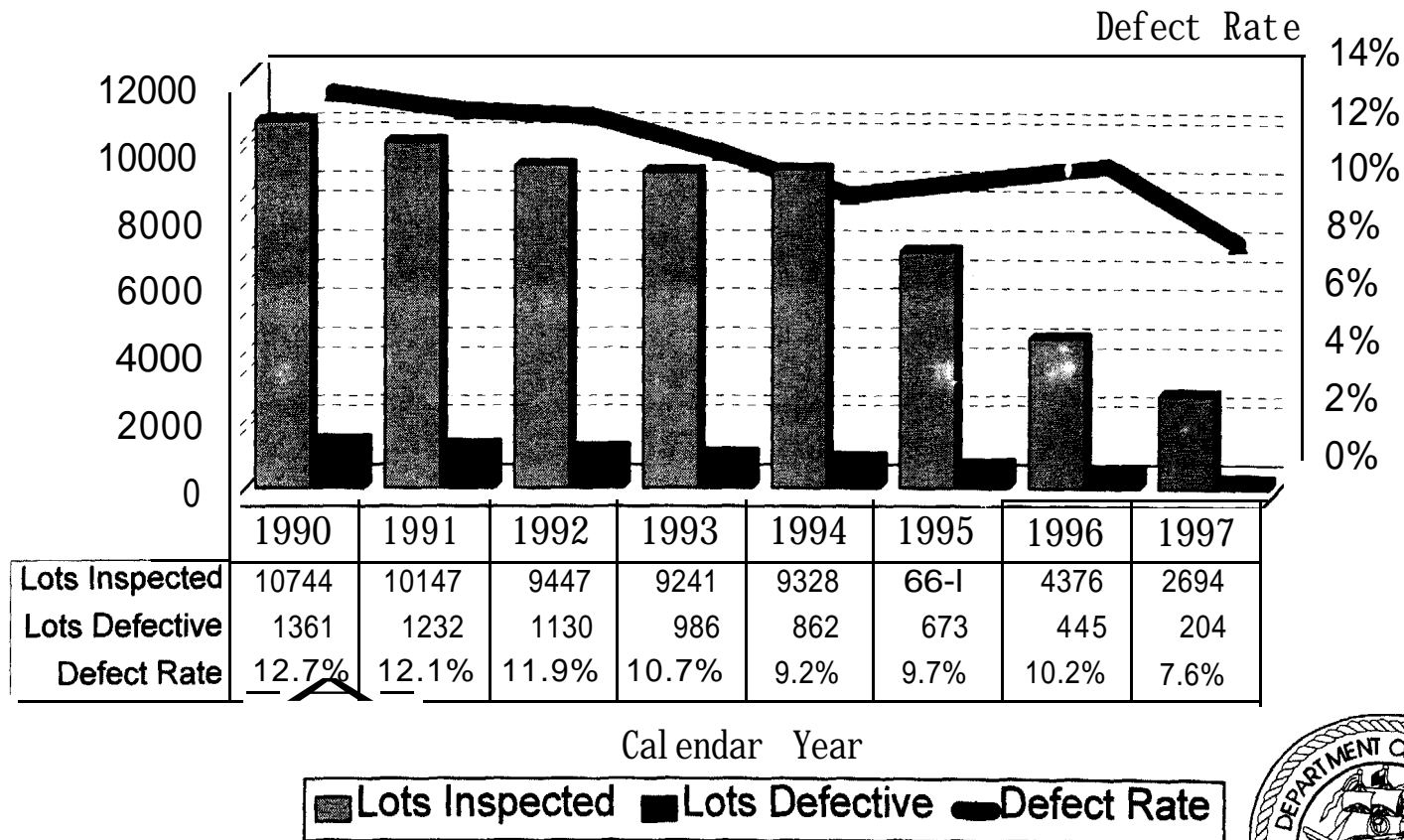
Based on NAVSEA receipt inspection data

5 [inspection date through 91221971



# Receipt Inspection Defect Rates DLA-Managed Items (Overall)

Includes DLA Purchases plus Items without Contract ID

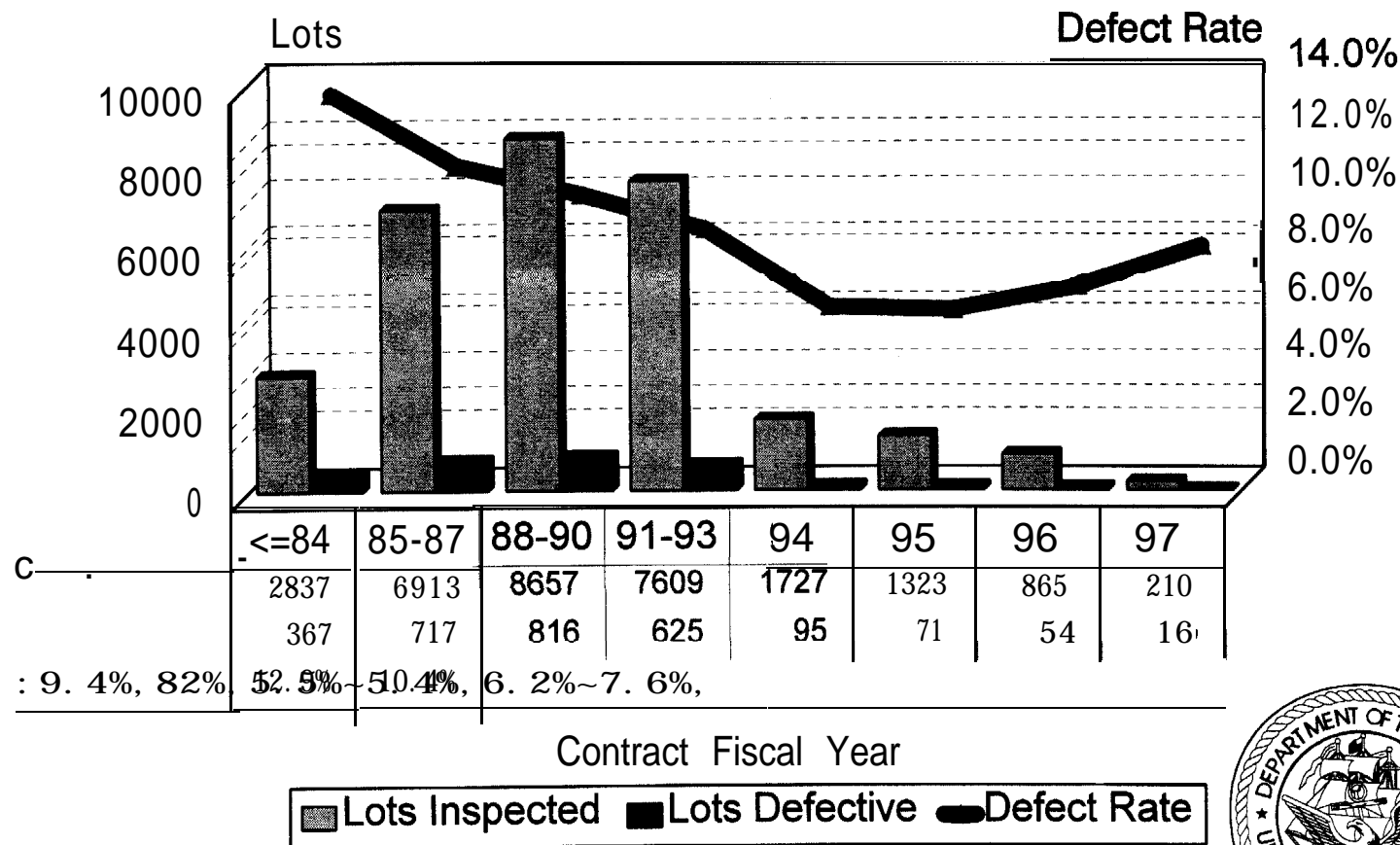


Based on NAVSEA receipt inspection data  
[Inspection date through 9/22/97]



# Defect Rates by Contract Year

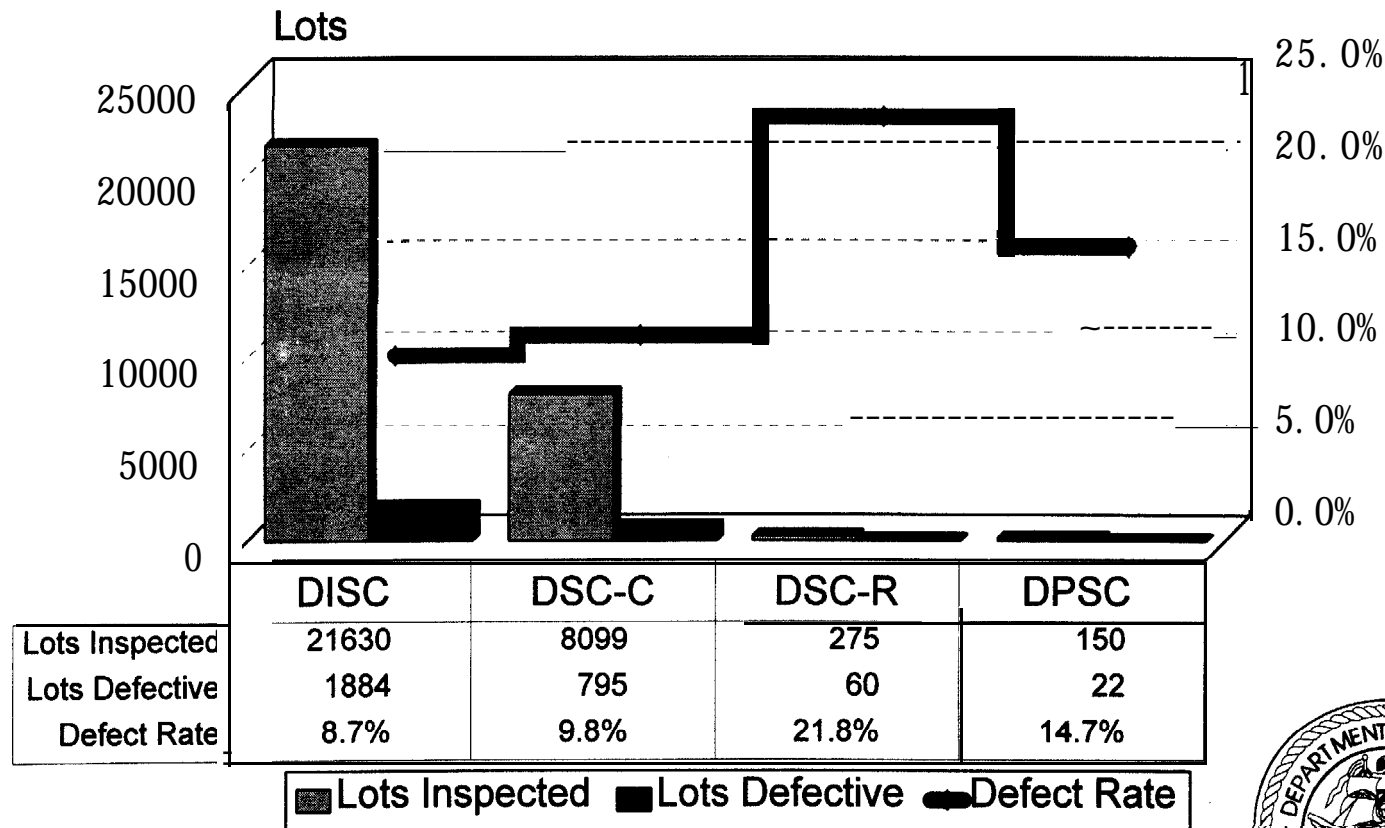
## Items Identified as Purchased on DLA Contracts



7

Based on NAVSEA receipt inspection data  
 [Inspection date through 91221971]

# Overall Receipt Inspection Defect Rates by DLA Center



Based on NAVSEA receipt inspection data  
[Inspection dates 1/1/90 through g/22/97]



# Responses to GIDEP Alerts (November 96 - September 97)

<b>Number of Alerts Sent to DLA</b>	<b>47</b>
<b>- Number of Alerts Closed</b>	<b>18</b>
<b>-Number of Alerts Open</b>	<b>29</b>

**We are working with DSC Columbus to develop a more structured feedback system.**

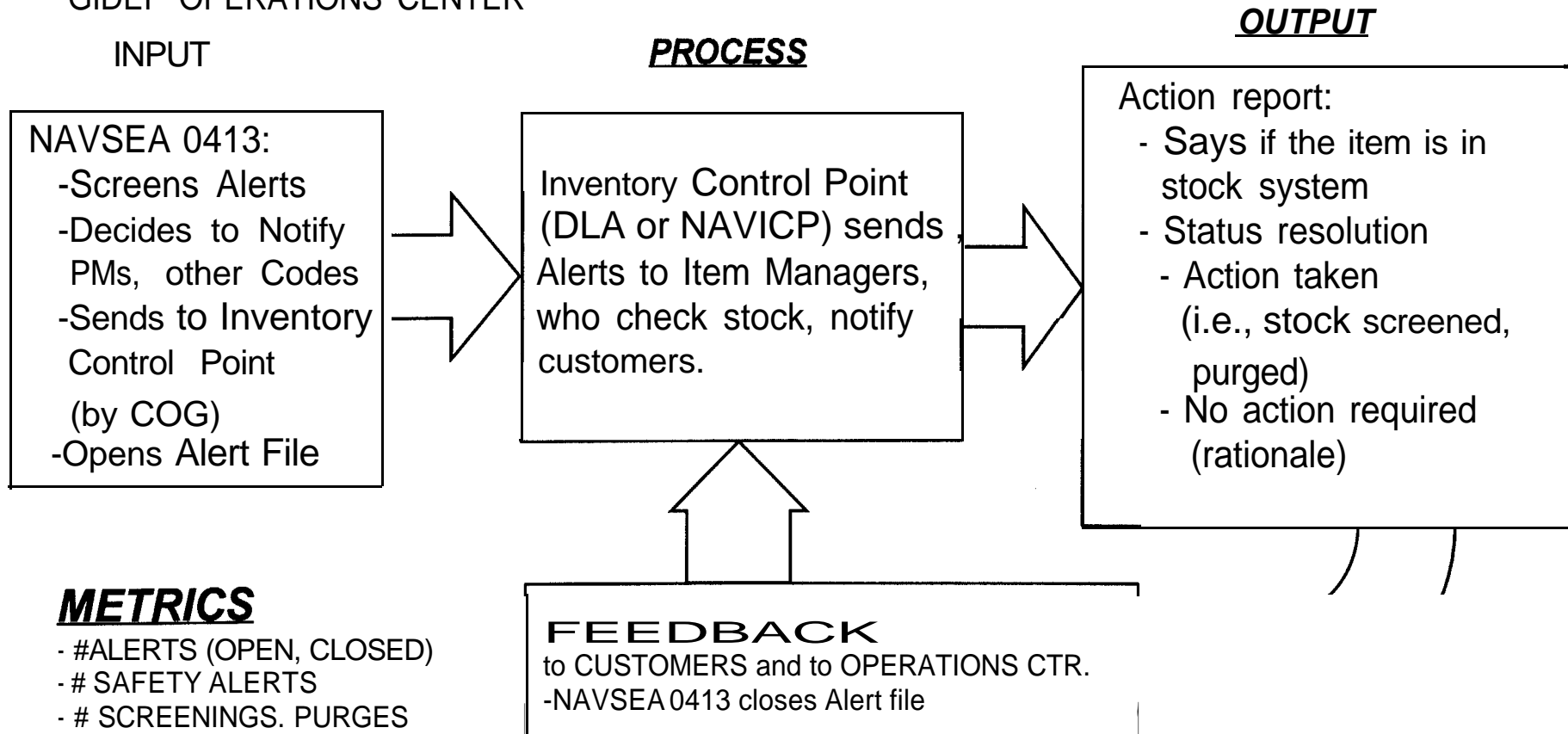




# GIDEP ALERTS FLOW (FOR NAVY)

**SUPPLIERS:** INDUSTRY & GOVT. TEST FACILITIES, LABS, DOD and GOVT. AGENCY FIELD ACTIVITIES AND OTHER GIDEP PARTICIPANTS via GIDEP OPERATIONS CENTER

**CUSTOMERS:** INDUSTRY & GOVT. STOCK POINTS, BUYING & USING ACTIVITIES via GIDEP OPERATIONS CENTER



# **Additional Process Control Examples**

- **CWPWP**
  - ASTM A106 problem
- **PDREP Update**
  - IPT process
  - Instruction simplification
  - PQDR Working Group established
  - Quarterly Feedback reports to customers
- **Past Performance**
  - HCAPS
  - CPARS



# Customer Feedback/ Conclusions

- We need an updated list of DCMC Deficiency Reporting Program Managers (DRPMs).
- We need to work together on improving communications. Communication is the key to controlling our processes.
- Navy welcomes opportunity to work with DLA on problem solving teams.
- We continue to have the opportunity to improve the level of quality delivered to the warfighter.







WHAT..Me WORRY?

# Stand Down Day .

- Invited Members from HQ, DFSC and their Regions
- Pre-Meeting: October 17, 1997
- HQ DLA Complex
- Contracting, Facilities, Quality, Technical, Legal, Business Enterprise,

# Communications .

- Reduce Information Short Circuits
  - 0 Realign DFSC Quality Office
  - 0 Improve Oversight, Management Visits
- Improve Team Communication
- Improve PQDR Reporting Process

# Establish an Intern Program

- Aging Workforce
- DownsizingRightsizing
- ☒ New Hires
  - <sup>a</sup> Intern Program to replace anticipated need from retirements
- Train New Folks Before Expertise Lost



# Single DOD Quality Manual

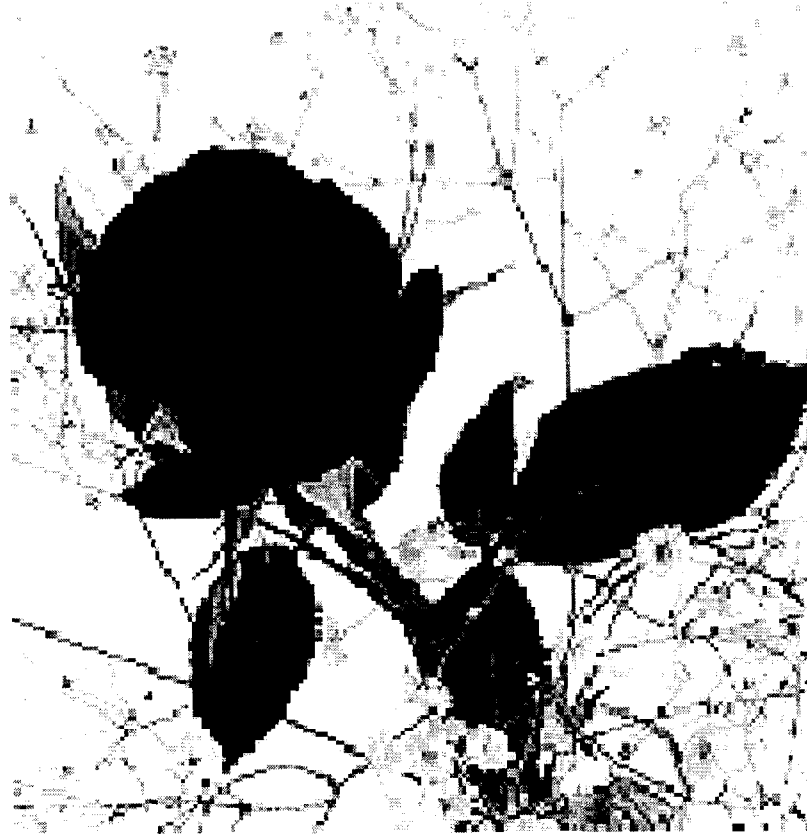
- Replace Service and DLA Manuals
- Standardize Policy
- Provide Uniform Instructions
  - QFor receiving and issuing petroleum products.
  - DFor Product Acceptance.

# Improve Quality Automation System

- Various Systems Hold Some Information
  - 1) Exceptions, Deviations & Waivers
  - 2) PQDR
  - 3) Procurement Systems
  - 4) DCMC
- Link Systems to Users of data

# Alignment of QA Responsibility

- Most efficient use of QA and QS Resources
- Customer Perspective
- Budget Constraints & Recovering Costs of Services



Worry, Watch, Cultivate

# *Contract Quality Requirements*

*Diana Maykowskyj*  
*Procurement Analyst*

*PROCLTR 96-44 issued Nov 74 '96.  
Revised DLA Higher-Level Contract  
Qualify Requirements .*

- . Required replacement of M/L-Q-9858 and  
M/L-1-45208 with recognized industry  
standards & process controls -  
(ISXANSI/ASQC 9000).*

## *Quality Day Conference, Apr '96*

- Discussions revealed ICPs had not implemented the requirements of PROCLTR 96-44.*
- Resulted in action item to hold a meeting A/TC to discuss implementation.*

## *Why didn't ICPs implement 96-44?*

- Concerns: Contractors could not meet the ISO industry standards and would not offer on solicitations.*
- Contractors would not adopt standards because of cost.*
- Delays in delivery, and termination of contract when contractor did not meet the requirement for ISO industry standards,*



# *Contract Quality Requirements*

*Video-Teleconference on May 79 '96.*

- ICPs cited the same perceived problems and did not agree to implement the requirements of PROCLTR 96-44.*
- ICPs requested OSD policy change, revision and clarification of PROCL TR.*
- HQ requested hard evidence that Contractor's could not meet requirement.*

*Obtaining OSD policy change was not a consideration without hard evidence that Contractor's could not meet the requirement.*

- ICPs could not provide evidence.*

*Canceled PROCLTR 96-44 and issued PROCLTR 97-28 on Sep 22 '97.*

# *PROCLTR 97-28 vs 96-44*

*PROCLTR 97-28 clarifies that:*

*unless otherwise stated a vendor's proposed alternative system is considered to be equal or better than ISO 9000;*

*CO shall recognize systems modeled on military, commercial, national or international quality standards;*

*only minimum essential quality requirements should be cited in solicitation;*

# *PROCLTR 97-28 vs 96-44 cont'd*

- reducing requirement to Standard Inspection Requirement is permitted when past history indicates good quality; or when systems modeled after former MIL-I-45208A were adequate;*
- the requirements 9001 and 9002 may be tailored to a level sufficient to meet minimum essential requirements;*

## *PROCLTR 97-28 vs 96-44 cont'd*

*DCMC shall be relied upon to evaluate any contractor proposed system; and*

*DCMC will use ISO/ANSI/ASQC 9000 series standards as baseline to evaluate quality systems.*

# *Contract Quality Requirements*

*When is tailoring appropriate?*

- Tailor if: - soliciting for items that were previously satisfied with MIL-I-45208A and M/L-Q 9858 standards and higher-level quality is not required;*

*there is evidence no responses will be received for solicitations requiring ISO 9000 or equivalent; or solicitation is released and no responses are rec'd.*

# *Contract Quality Requirements*

*What is the revised implementation date?*

- . 90 days from the issuance date of Sep 22*

# *Contract Quality Requirements*

*Former Secretary Perry memo -An '94 directed.. . “use of performance & commercial specifications and standards in lieu of military specifications and standards.. . .”*

*Ott '96, M/L-1-45208 and M/L-Q -9858 were canceled without replacement.*

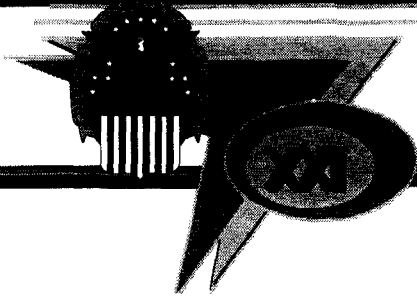




## Management Reform Memorandum #10

# Redesigning Department of Defense Source Acceptance Policies and Procedures

Briefing for Quality Day  
October 28, 1997



## Management Reform Memorandum #10

### \* What is it

Expansion of Micro-purchase PAT

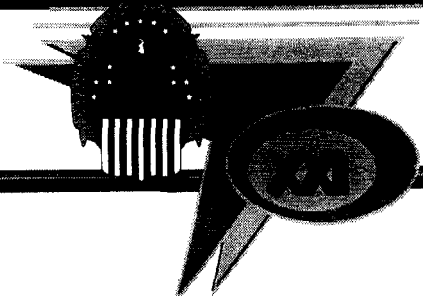
\* Reassessment of Policies & Procedures

\* **why?**

\*- Items Over Coded

\* cost

C) Commercial vs Government



## Management Reform Memorandum #10

### \* What We Want

- \* Properly Coded Items
  - \* Alternative Methods
  - \* Best Mix of Checks & Balances
- \* More Latitude for DCMC
  - \* Certificates of Conformance, Risk Assessment,
  - \* Alternate Release, Contractor Self-Oversight, etc

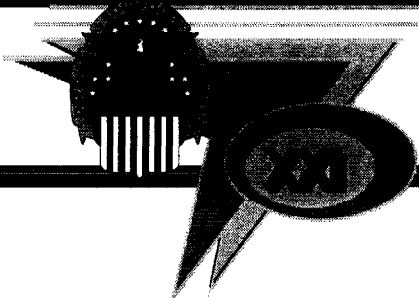
GSI Not a Transaction: GSI = Involvement



## Management Reform Memorandum #10

### **E- How We're Getting There**

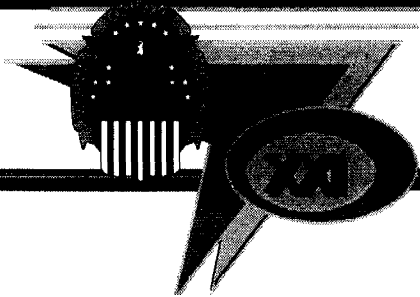
- \* Acquisition Process
- \* FAR Change
- \* NSN Review
- \* Sub Contract Management
- \* Briefing / Information Memos
- \* Feedback



## Management Reform Memorandum #10

### \* Status

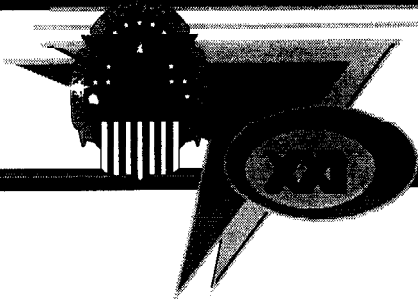
- \* DCMC Memo 97-015, June 13, 1997
- \* Small Dollar Study July 9, 1997
- \* FAR Case Opened August 19, 1997
- \* DCMC Memo 97-039, August 28, 1997
- \* Cost Study Contract Signed September 22, 1997
- \* OUSD (A&T) Memo, September 24, 1997



## Management Reform Memorandum #10

### \* What's Planned

- \* Monitor NSN Review
- \* Review and Analyze Data From Cost Study
  - \* Road Shows
- \* Data Call to CAO's on Sub Contract Management
- \* Services GSI Flow Down
- \*- Biweekly Status Briefing - OUSD(C)



## Management Reform Memorandum #10

### DOD Pat Members

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